

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL MEMORANDUM

HB 196 – SB 128

May 5, 2009

SUMMARY OF AMENDMENT (007399): Authorizes state departments to identify employees who could telecommute during the work week without diminishing employee performance or operations. Such employees would have the option to telecommute if they choose to do so. Authorizes each department to conduct meetings and training sessions through teleconferencing when possible. Requires each department that chooses to allow telecommuting and teleconferencing to calculate any savings and to report such information to the Department of Finance and Administration (F&A). Such information will be compiled by F&A and reported to the General Assembly by March 1 of each year.

FISCAL IMPACT OF ORIGINAL BILL:

MINIMAL

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

State Expenditures – Net Decrease – Not Significant

Assumptions applied to amendment:

- State agencies and departments will not utilize this authority unless there is a cost savings.
- According to Department of Personnel Rule 1120-6-.03 any agency may use irregular work schedules and vary its work hours and workdays at the discretion of the appointing authority. Based on this rule, departments currently have the discretion to allow employees to work a schedule other than the regular 8:00 a.m. to 4:30 p.m., Monday through Friday schedule.
- State departments would determine which employees are eligible on a case by case basis. Eligible state employees would have the option to telecommute.
- Any savings resulting from telecommuting would depend on several unknown variables including the number of employees who would be

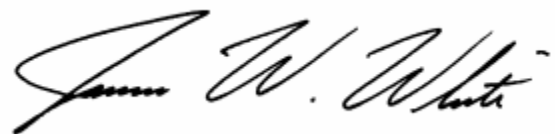
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designated to be eligible to participate; the number of eligible employees who would opt to participate; the number of days per week and the length of time overall an employee would telecommute; whether office space of participating employees could be eliminated or shared to reduce lease costs.

- Any increase in cost would depend on whether the state department would provide employees with the necessary equipment to work at home or whether employees would be required to provide their own equipment; the cost to connect such employees to the state network; the cost to provide such employees with technical assistance or training; oversight and record keeping on such employees.
- Any savings such as travel could be offset by such additional costs as computer lines, bandwidth, yearly maintenance, training, technical assistance, telephones, teleconferencing equipment, computers, etc. for home office work and holding teleconferences.
- Some state departments currently utilize teleconferencing where appropriate to conduct meetings and hold training sessions if practicable.
- One-time costs for equipment cannot be determined since it is unknown what equipment would be required and the number of employees that such equipment would be provided to, but could range from \$1,000 to \$5,000 per employee.
- Telecommuting would not be applicable for many employees because of the nature of their jobs; their presence would be required at the job site (i.e., the Departments of Correction and Transportation). In addition, some departments require face-to-face interaction with state employees and citizens who require services.
- Any reporting requirement by the departments to F&A and to the General Assembly is estimated to be not significant.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

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